

**Minutes of the Meeting of the
Jasper Economic Development Commission**

June 13, 2013

The Jasper Economic Development Commission met on Thursday, June 13, 2013 in the Council Chambers of City Hall located at 610 Main Street. Notice was given in compliance with Indiana's Open Meeting Law.

CALL TO ORDER

President Andrew Seger called the meeting to order at 8:00 a.m.

ROLL CALL

President Andrew Seger	present
Vice President Jim Skillman	absent
Secretary Mark Schmidt	present
Member Robert Whitten	present
Member Ray Snowden	absent
Also present:	
Renee Kabrick - Commission's Attorney	
Kathy Pfister – Recording Secretary	

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

APPROVAL OF MINUTES

Mark Schmidt made a motion to approve the Commission's minutes from their February 13, 2013 meeting as presented. Bob Whitten seconded the motion. The motion carried 3-0.

JASPER CHAIR COMPANY - REAL AND PERSONAL

Jeff Barth, President of Jasper Chair Company, appeared before the Board to request a tax abatement for Real and Personal property at its location on the corner of 8th and Fairway Streets. Mr. Barth gave a brief history of the company. Jasper Chair was founded in 1921 by a local businessman out of the need for quality office seating. Over the past 92 years, the company has expanded into many other markets such as school, library and college housing, hospitality and healthcare. The company oversees every aspect of the manufacturing process from raw lumber to the finished product. There are currently 84 full-time and three part-time employees.

The project scope is to construct two new facilities; Facility #1 – a Central Receiving building (22,000 sq. ft.) will be used for warehousing and light manufacturing and Facility #2 – a Dry Lumber storage building (7,500 sq. ft.) will be used to warehouse lumber after it has been kiln-dried. The Real property investment would be \$1,069,587.00 for the two buildings. The Personal property additions that the company is proposing consists of five new pieces of equipment; Gerber CNC Fabric Cutter, Bacci CNC Machining Centers (Hardware and Software Upgrades), FLAMEX Spark Detection System (Hardware Upgrade), 80KW Cummins Generator and a Vecoplan Grinder. The Personal property investment would total \$450,059.00, with an assessed value of \$135,018.00. The expected completion date for the proposed project is April 2014.

The proposal would add three new jobs; two for manufacturing and one management position. Mr. Barth estimated that the annual base wages for the three new positions would total \$92,820.00. The company's employee benefits include paid time off (vacation and holidays), Healthcare Plan, Wellness Plan, Life Insurance, Profit Sharing and a 401(k) Plan. Jasper Chair donates to many local organizations including area schools, Sisters of St. Benedict of Ferdinand, area Fire Departments, Buffalo Trace Council, Fr. Gibault's School for Boys, Girls and Boys Town, area Youth Sports and St. Meinrad Monastery. Mr. Barth expressed the company's dedication to the local manufacturers, explaining that when many other businesses began importing or moving manufacturing overseas, Jasper Chair invested heavily in technology and continued to manufacture product locally. The company supports local vendors such as area sawmills, various suppliers, banks, transport companies, insurance vendors and construction contractors. There are adequate utilities and infrastructure for the two proposed projects. Regarding Green Technology, all new equipment is fitted with capacitors to reduce power factor penalties and soft starters to reduce peak usage penalties. New buildings are constructed using green lighting solutions as well as superior insulation. The buildings are also heated using steam that is generated by burning wood waste that would otherwise need to be taken to a landfill.

Mr. Barth displayed an overview of Jasper Chair's property, showing where the two proposed facilities will be located. In summary, Mr. Barth expressed that the tax abatement would allow Jasper Chair to increase productivity and to further expand its product base in sales markets and increase sales which will lead to further growth and increased employment.

The Commission thanked Mr. Barth for his well-prepared application. President Seger inquired about the mentor program, which is one area that is scored on the application but was not discussed. Mr. Barth said other than training within the facility; Jasper Chair does not offer a mentor program.

Member Whitten inquired as to how much square footage the new expansion would free up for the current facilities. Mr. Barth said it would free up approximately 20,000 square feet in part of the old warehouse and approximately 6,000 square feet in the dry lumber storage area.

Following Jasper Chair's presentation and further discussion, the Board scored the following evaluation criteria:

• New Investment in Property and Equipment: (1,000,000 - \$1,999,999)	<u>Points</u> 28
• New employment: number of full-time equivalent (FTE) jobs (3-5 new FTE)	10
• New employment wage level:% above state minimum wage (200% of state minimum wage - \$14.50)	24
• Infrastructure requirements already in place:	
Adequate road	1
Water	1
Wastewater	1
Electric Service	1
Gas	1
• Years the applicant has operated in Jasper (9 or more years)	5
Total base points (out of 100)	72

• Targeted business bonus points	3
(*Targeted businesses include those in Measuring, Testing & Navigational Instrument Manufacturing, Specialty Food Manufacturing, Durable Goods/Wholesaling/Distribution, Specialty Manufacturers such as medical, athletic, game, toy & children's vehicle manufacturing, and Crane Naval Surface Warfare Center Vendors (as identified in the Dubois County Area Development Corporation's most recent Business Target Recommendations for Dubois County)	
<i>To be consistent with previous applicants, President Seger mentioned that although 'office furniture' is not considered a targeted industry, bringing in new technology is important in order to evolve in the proposed area.</i>	
• Utilizes 'green' technology	2
• Use of existing vacant structure	4
(Points awarded based on actual vacant structure to be used)	
<i>By consensus, the Commission agreed that by tearing down existing and building new, the use of the land would be an improvement in an area where there is a lot of risk of vacant structures.</i>	
• Offers Employer-sponsored health and wellness benefits	2
• Offers Employer-sponsored retirement plan	2
• Community Involvement	1
• Use of local suppliers/contractors in construction/operation of project	1
• Offers mentoring/internship program	0
Total bonus points	15
Total points possible with bonus points (120)	Final Score 87

President Seger made a motion to recommend that the Common Council adopt the presented tax phase-in score sheet and local guidelines, resulting in a 9-year abatement for Jasper Chair Company with a 9-year time period and schedule as follows: Years 1-6 – 100%, Year 7 – 75%, Year 8 – 50% and Year 9 – 25%. Mark Schmidt seconded the motion. Motion carried 3-0.

ADJOURNMENT

After some discussion among the Board, a **motion** was made by President Seger and seconded by Bob Whitten to adjourn the meeting. The motion carried 3-0, and the meeting adjourned at 8:40 a.m.

Andrew M. Seger, President

ATTEST:

Mark R. Schmidt, Secretary